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VIA ELECTRONIC SUBMISSION

September 15, 2006

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-325
Washington, DC 20554

Re: **Notice of Ex parte**
Petition of AT&T Inc. for Forbearance under 47 U.S.C. Section 160(c)
from Title II and Computer Inquiry Rules with Respect to Its
Broadband Services, WC Docket No. 06-125

Dear Ms. Dortch:

On behalf of AT&T Inc. (AT&T), Frank Simone, Jack Zinman, Mike Pfau, and the undersigned, met on Thursday, September 14, 2006, with Jay Atkinson, Randy Clarke, Renee Crittendon, Bill Dever, Heather Hendrickson, Bill Kehoe, Al Lewis, and Deena Shetler of the Commission's Wireline Competition Bureau. At the meeting, we discussed AT&T's above-referenced petition for forbearance and requested that the Commission grant our petition. The following document represents the substance of our discussion and an overview of our request.

Pursuant to section 1.1206(b)(2) of the Commission's Rules, this letter is being filed electronically with the Commission. Please include a copy of this submission in the record of the above-listed proceeding. You may contact me at (202) 457-3023 should you have any questions.

Sincerely,

/s/Michelle Sclater

Attachment

cc: J. Atkinson
R. Clarke
R. Crittendon
W. Dever
H. Hendrickson
W. Kehoe
D. Shetler

AT&T Petition for Forbearance

Broadband Services

WC Docket No. 06-125



AT&T Forbearance Petition

Overview

Overview

AT&T's Broadband Services are entitled to the same forbearance from Title II and CI requirements as Verizon's services.

- Market forces ensure commercially reasonable terms for the covered broadband transmission services.
- The forbearance criteria, informed by the objectives of section 706, have been satisfied; therefore, AT&T requests that its Petition for Forbearance be granted.

Scope of Relief Requested—Services

- Forbearance from Title II and *Computer Inquiry* requirements that might be held to apply to any of its broadband services (200 kbps or greater in each direction).
- Services
 - Packet-switched services (Frame Relay, ATM, IP-VPN, and Ethernet).
 - Non-TDM-based optical networking, optical hubbing, and optical transmission services (OCn speeds over SONET-based, Wave Division Multiplexing or Dense Wave Division Multiplexing networks).
 - AT&T is not requesting relief with respect to traditional TDM-based DS1 and DS3 special access services.

Scope of Relief Requested—Regulations

- Regulations
 - Title II—forbearance would allow increased flexibility to provide broadband services on a common-carriage or private-carriage basis.
 - *Computer Inquiry*—forbearance from all computer inquiry obligations
 - AT&T does not seek relief from any universal service obligations that may otherwise apply to the covered services.

AT&T Forbearance Petition

Market Forces Ensure Commercially Reasonable
Terms

Market Forces Ensure Commercially Reasonable Terms for the Covered Broadband Transmission Services.

- As stated in the *SBC-ATT and Verizon-MCI Merger Orders*, carriers face robust competition for enterprise services, including services covered by this petition.
- Multiple competitors, including system integrators and other non-facilities-based competitors, are putting significant competitive pressure on traditional service providers.
- Next-generation carriers using IP-technology continue to enter and expand the market.
- Vigorous competition exists for OCn-level dedicated local access services; carriers are not “impaired.”

AT&T Forbearance Petition

Forbearance Criteria

The Forbearance Criteria Require That AT&T be Afforded the Same Relief Obtained by Verizon

- Just and reasonable, not unjustly or unreasonably discriminatory
- Protection of Consumers
- Public Interest

Terms that are Just, Reasonable, and Not Unjustly or Unreasonably Discriminatory

- Market forces are fully sufficient to ensure just and reasonable rates and practices for the broadband services at issue.
- *SBC-ATT Merger Order*—no ability to raise and maintain prices above competitive levels.
- Record demonstrates existence of multiple facilities-based providers of broadband providers.
- Special access concerns should be addressed in the proper proceeding.

Protection of Consumers

- Sophisticated business customers demand the customization and flexibility that common-carrier regulations constrain.
- AT&T needs flexibility in order to tailor services to the needs of its customers.
- Social policy regulation cited by commenters is not relevant for the covered services (e.g. slamming).

Public Interest

- Promotion of competitive market conditions that enhance competition
- Development and implementation of new services
- Reduction in transaction costs for providers
- Reduction in administrative burdens on providers and the Commission
- Failure to remove these requirements would be affirmatively harmful to the public interest.
 - Impede innovation and responsiveness to customers
 - Diminish the carriers' ability to reduce prices and improve service
 - Tariffs are too inflexible and discourage competitive pricing.

AT&T Forbearance Petition

Conclusion

Conclusion

- Market forces ensure commercially reasonable terms for the covered broadband services.
- The forbearance criteria require that AT&T be afforded the same relief obtained by Verizon.
- To the extent AT&T is not already covered by the relief afforded to Verizon's broadband transmission services, AT&T requests that its Petition for Forbearance be granted.